



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3452
U-0147570
(UT-923)

AUG 09 2006

MaryAnn Wright, Associate Director, Mining
Utah Division of Oil, Gas, & Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
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AUG 11 2006
8/15
DIV. OF OIL, GAS & MINING
J. Craig
a/007/0005

Dear MaryAnn:

On March 31, 2006, the Bureau of Land Management (BLM) received a request from Canyon Fuel Company, LLC to relinquish portions of Federal coal lease U-0147570. The area requested had been included in a request filed March 17, 2005. A decision was signed December 7, 2005 denying the request, as a portion of these lands were providing beneficial use to the Skyline Mine. Canyon Fuel has removed the area of beneficial use, and requested the remaining lands be relinquished. BLM is completing a review of their request (attached), and is preparing documents to move forward with accepting its relinquishment. Our decision will be based on a review of the administrative record, and responses provided. ✓

BLM will make a determination whether or not this relinquishment is in the public interest, that the accrued rentals and royalties have been paid, and that all obligations of the lessee under the regulations and the terms of the lease have been met in accordance with 43 CFR 3452.1-3. If you have any comments or concerns that BLM should consider before the decision is made, please provide them on or before August 25, 2006.

Should you have questions, or need additional information, please contact Gregg Hudson at 801-539-4040.

Sincerely,

James F. Kohler
Chief, Solid Minerals Branch

Enclosure: Canyon Fuel Company Request for Partial Relinquishment U-0147570

cc: Steve Rigby (PFO)
Gregg Hudson

Refer to Expandable 08092006
file in 0070005 2006. Incoming
for additional information

CANYON FUEL COMPANY, LLC

**C/o Ark Land Company
CityPlace One, Suite 300
St. Louis, Missouri 63141
Phone: (314) 994-2700
Fax: (314) 994-2940**

March 23, 2006

Mr. James F. Kohler
Chief-Solid Minerals Branch
United States Department of Interior
Bureau of Land Management
324 South State, Suite 400
Salt Lake City, Utah 84111-2303

**Re: Request for Partial Relinquishment
Canyon Fuel Company, LLC
Coal Leases U-0147570 (SK-001)**

Dear Mr. Kohler,

Please consider this letter and the accompanying documents, submitted herein in triplicate, as Canyon Fuel Company, LLC's (hereinafter, "CFC") request for partial relinquishment of the captioned federal coal lease. It is CFC's intention to relinquish this lease only insofar as relinquishment is depicted on the attached Exhibit map to this letter. The surface owner of the land in the lease is the United States Forest Service. You have advised me that you will work directly with the Forest Service and any other affected Agencies in the processing this application and therefore it is not necessary for us to notify any of the agencies directly.

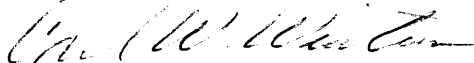
This request for partial relinquishment is being submitted in accordance with 43 CFR, Sec. 3452.1 CFC wishes to partially relinquish this lease because the land contained in the relinquishment area is mined out according to the approved mining plan for the lease. In support of this request we have previously submitted a binder containing items responsive to the Checklist and Data Documentation for Federal Coal Lease Relinquishment under 43CFR 4253 as it will apply to this federal coal lease that is the subject of this application.

CFC believes that the mining and reclamation of the subject lease was carried out according to the approved resource recovery and protection plan, that compliance with the lease terms has been met, and that the public interest will not be impaired by having the subject lease partially relinquished. Further, CFC has endeavored to prepare this partial relinquishment request in accordance with the regulations and with the aforementioned instruction memorandum, and will meet with you at your request to provide any

additional information or explanation deemed necessary. We request that you consider this application as expeditiously as possible and assist the coordination of activities required in the processing of this request.

Your assistance and cooperation are greatly appreciated. Should you have any questions or need any additional information, please contact Doug Downing of Ark Land Company at 314-994-2954.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Carl Winters', written in dark ink.

Carl Winters

Manager of Engineering, Skyline Mine

Enclosures

stlark.scottk.relinquishment.ut.sk-001 skrelappltr

line Federal Lease Relinquishment Status

March 23, 2006

tion of Acres	Type of Relinq.	Retained Acreage	Legal Description of Retained Acreage	Relinq. Filed	Surface Owner Notified/ Comments	Comments	Status	Relinq. Accepted/ Bond Reduced
<u>M. Utah</u> V2NE4, SE4.	Partial	1532.7, acres, more or less	<u>T13S, R6E, SLM, Utah</u> Sec. 10, lots 3, 4, E2SW; SE; Sec. 15, E2NE4; Sec. 22, all; Sec. 23, W2E2, W2.		N/A			